

AMENDED IN ASSEMBLY APRIL 30, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 587

Introduced by Assembly Member Chau

February 24, 2015

An act to add Section 798.58.5 to the Civil Code, to amend Sections 18092.7, 18116.1, and 18550 of the Health and Safety Code, and to amend Section 5832 of the Revenue and Taxation Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

AB 587, as amended, Chau. Mobilehomes: payments: nonpayment or late payments.

(1) Existing law subjects manufactured homes or mobilehomes sold as new prior to July 1, 1980, to a vehicle license fee and requires annual payment of the fee. Existing law provides that nonpayment of certain fees and penalties, including the vehicle license fee, constitutes a lien on the manufactured home or mobilehome, and prohibits the Department of Housing and Community Development from, among other things, issuing a duplicate or new certificate of title or registration card or amending the permanent title record of the manufactured home or mobilehome that is subject of that lien.

This ~~bill would~~, *bill*, when a person who is not currently the registered owner of a manufactured home or mobilehome applies to the department for registration or transfer of registration of the manufactured home or mobilehome prior to December 31, 2018, and meets other specified requirements, *would* require the department to waive all outstanding

charges assessed by the department prior to the transfer of title of the manufactured home or mobilehome, release any lien imposed with respect to those charges, issue a duplicate or new certificate of title or registration card, and amend the title record of the manufactured home or mobilehome.

(2) Existing law provides that mobilehomes and manufactured homes not subject to the vehicle license fee are subject to local property taxation, and requires the department to withhold the registration or transfer of registration of any manufactured home or mobilehome subject to local property taxation until the applicant for registration presents a tax clearance certificate or conditional tax clearance certificate issued by the tax collector of the county where the manufactured home or mobilehome is located. Existing law requires the county tax collector to issue a tax clearance certificate or conditional tax clearance certificate if specified requirements are met.

~~This bill would,~~ *bill*, when a person who is not currently the registered owner of a manufactured home or mobilehome subject to local property taxation applies to the department for registration or transfer of registration of the manufactured home or mobilehome prior to December 31, 2018, and meets other specified requirements, *would* require the department to issue a conditional transfer of title. The bill would require a county tax collector to issue a tax liability certificate to a person with a conditional transfer of title who applies for the certificate prior to January 1, ~~2019~~ 2019, and pays the taxes reasonably owed from the date of sale of the manufactured home or mobilehome. By increasing the duties of county tax collectors this bill would impose a state-mandated local program.

(3) Existing law authorizes the management of a mobilehome park to terminate a tenancy for, among other things, failure of the homeowner or resident to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after the homeowner receives a notice of noncompliance from the appropriate governmental agency. Under existing law, it is unlawful for any person to use or cause, or permit to be used for occupancy, any manufactured home or mobilehome that does not conform to the registration requirements of the department.

This bill would prohibit eviction from a mobilehome park for nonconformance with the registration and titling requirements of state law prior to January 1, 2017, or when an application to transfer title of a manufactured home or mobilehome pursuant to the above-described

provisions is filed prior to January 1, 2019, and completed within one year of the filing date. The bill would provide that it is not unlawful under these conditions for a park owner to permit an applicant to transfer title who is not in compliance with the registration requirements of the department to occupy a manufactured home or mobilehome. The bill would also make related and conforming changes.

(4)The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(5)Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 798.58.5 is added to the Civil Code, to
2 read:
3 798.58.5. Notwithstanding Section 798.56, nonconformance
4 with the registration and titling requirements of state law, including,
5 but not limited to, nonpayment or late payment of any fees, taxes,
6 penalties, or interest related to the ownership of a mobilehome or
7 manufactured home, shall not be a basis for eviction from a
8 mobilehome park in either of the following situations:
9 (a) ~~Prior~~ *If the nonconformance occurs prior* to January 1, 2017.
10 (b) An application to transfer title pursuant to Article 4
11 (commencing with Section 18098) of Chapter 8 of Part 2 of
12 Division 13 or subdivision (d) of Section 18116.1 of the Health
13 and Safety Code is filed prior to January 1, 2019, and completed
14 within one year of the filing date.

1 SEC. 2. Section 18092.7 of the Health and Safety Code is
2 amended to read:

3 18092.7. (a) Except as provided in subdivision (b) and Section
4 18116.1, the department shall withhold the registration or transfer
5 of registration of any manufactured home, mobilehome, or floating
6 home which is subject to local property taxation, other than a new
7 manufactured home, mobilehome, or floating home for which
8 application is being made for an original registration, until the
9 applicant presents a tax clearance certificate or a conditional tax
10 clearance certificate issued pursuant to Section 2189.8 or 5832 of
11 the Revenue and Taxation Code by the tax collector of the county
12 where the manufactured home, mobilehome, or floating home is
13 located. Any conditional tax clearance certificate presented shall
14 indicate that the tax liability has been satisfied pursuant to
15 paragraph (3) of subdivision (m) of Section 18035.

16 (b) In lieu of the tax clearance certificate or conditional tax
17 clearance certificate required by subdivision (a), the department
18 may accept a certification signed by the escrow officer under
19 penalty of perjury that the tax collector of the county where the
20 manufactured home is located has failed to respond to the written
21 demand for a conditional tax clearance certificate as prescribed
22 by subdivision (m) of Section 18035.

23 SEC. 3. Section 18116.1 of the Health and Safety Code is
24 amended to read:

25 18116.1. (a) Nonpayment of the fees and penalties provided
26 for in Sections 18114, 18114.1, and 18115, and in subdivisions
27 (a), (b), (c), and (d) of Section 18116 that are due on a mobilehome,
28 manufactured home, commercial coach, truck camper, or floating
29 home shall constitute a lien in favor of the State of California in
30 the amount owing.

31 (b) Notwithstanding any other provision of law, the lien
32 provided for in subdivision (a) shall include all fees and penalties
33 due and unpaid beginning with the fees for original registration
34 that became delinquent for 120 days or more and continue to accrue
35 to include all fees and penalties that subsequently become due and
36 remain unpaid.

37 (c) Until the amount of a lien provided for in subdivision (a)
38 or (b) is paid to the department, the department shall not do either
39 of the following:

1 (1) Amend the permanent title record of the manufactured
2 home, mobilehome, commercial coach, truck camper, or floating
3 home which is the subject of the lien for the purpose of transferring
4 any ownership interest or transferring or creating any security
5 interest in the manufactured home, mobilehome, commercial coach,
6 truck camper, or floating home.

7 (2) Issue any duplicate, substitute, or new certificate of title,
8 registration card, or copy of a registration card with respect to the
9 manufactured home, mobilehome, commercial coach, truck camper,
10 or floating home which is the subject of the lien.

11 (d) (1) When application is made to the department for
12 registration or transfer of registration of a manufactured home or
13 mobilehome, and the applicant is not currently the registered
14 owner, with respect to all charges assessed by the department prior
15 to the date the title or interest in the manufactured home or
16 mobilehome was transferred to the applicant, the department shall
17 release any lien imposed pursuant to this chapter and waive all
18 outstanding charges assessed by the department, if all of the
19 following requirements are met:

20 (A) The applicant provides documentation demonstrating to the
21 satisfaction of the department ownership and the date of acquisition
22 of ~~title or interest~~ *ownership interest* pursuant to Section 18100.5
23 or 18102.5.

24 (B) The application is made prior to December 31, 2018.

25 (C) The applicant pays any charges assessed by the department
26 during the period between the time the applicant took ~~title or~~
27 ~~interest~~ *ownership interest* or December 31, 2014, whichever is
28 later, and the time the applicant applies for relief pursuant to this
29 subdivision.

30 (D) The applicant has not previously filed for relief pursuant to
31 this subdivision.

32 (2) If the applicant meets the requirements of paragraph (1) and
33 the other requirements of this chapter not related to nonpayment
34 or late payment of the department's charges, fees, and penalties
35 related to registration and titling, the department shall waive the
36 outstanding charges, fees, or penalties identified in paragraph (1),
37 amend the title record, and issue a duplicate, substitute, or new
38 certificate of title, registration card, or copy of a registration card
39 with respect to the manufactured home or mobilehome, in
40 conformance with this chapter.

(3) For purposes of any amounts owing pursuant to this subdivision, the department may establish a long term payment program of up to five years. The department may provide that any amounts owing under the payment program shall constitute a lien in favor of the State of California in the amount owing and shall be paid in full if the manufactured home or mobilehome is subsequently transferred. Failure to make the payments required by the plan is a violation of this chapter for which the department may suspend, revoke, or cancel the certificate of title pursuant to Section 18122.

(4) (A) If the manufactured home or mobilehome for which an application has been submitted and approved pursuant to this subdivision and the other requirements of this chapter not related to nonpayment or late payment of the department's charges, fees, and penalties related to registration and titling, is subject to local property taxation, the department shall issue a conditional transfer of title.

(B) Upon presentation of a completed tax liability certificate as provided in subdivision (f) of Section 5832 of the ~~Revenue & Revenue~~ and Taxation Code, if the applicant meets all of the requirements of this section and the other requirements of this chapter not related to nonpayment or late payment of the department's charges, fees, and penalties related to registration and titling, and the requirements of paragraph (2) are met, the department shall amend the title record and issue a duplicate, substitute, or new certificate of title.

SEC. 4. Section 18550 of the Health and Safety Code is amended to read:

18550. It is unlawful for any person to use or cause, or permit to be used for occupancy, any of the following manufactured homes or mobilehomes wherever the manufactured homes or mobilehomes are located, or recreational vehicles located in mobilehome parks:

(a) Any manufactured home, mobilehome, or recreational vehicle supplied with fuel, gas, water, electricity, or sewage connections, unless the connections and installations conform to regulations of the department.

(b) Any manufactured home, mobilehome, or recreational vehicle that is permanently attached with underpinning or foundation to the ground, except for a manufactured home or

1 mobilehome bearing a department insignia or federal label, that is
2 installed in accordance with this part.

3 (c) (1) Any manufactured home or mobilehome that does not
4 conform to the registration requirements of the department, except
5 as otherwise provided in this subdivision.

6 (2) Nonconformance is not a basis for eviction from a
7 mobilehome park of a person claiming to be an owner of a
8 manufactured home or mobilehome ~~if~~ *in either of the following*
9 *situations:*

10 (A) *If the nonconformance occurs prior to January 1, 2017.*

11 (B) *If the person files an application to transfer title pursuant to*
12 *Article 4 (commencing with Section 18098) of Chapter 8 of Part*
13 *2 of Division 13 or subdivision (d) of Section 18116.1 prior to*
14 *January 1, 2019, and completes the application within one year of*
15 *the filing date.*

16 (3) It is not a violation of this section for a park owner to allow
17 a person not in compliance with the registration requirements of
18 the department to occupy a manufactured home or mobilehome if
19 the person meets the requirements of paragraph (2).

20 (d) Any manufactured home, mobilehome, or recreational
21 vehicle in an unsafe or unsanitary condition.

22 (e) Any manufactured home, mobilehome, or recreational
23 vehicle that is structurally unsound and does not protect its
24 occupants against the elements.

25 SEC. 5. Section 5832 of the Revenue and Taxation Code is
26 amended to read:

27 5832. (a) (1) Upon application, the county tax collector shall
28 issue a tax clearance certificate or a conditional tax clearance
29 certificate.

30 (2) Any tax clearance certificate issued shall be used to permit
31 registration of used manufactured homes and for any other purposes
32 that may be prescribed by the Controller. The certificate may
33 indicate that the county tax collector finds that no local property
34 tax is due or is likely to become due, or that any applicable local
35 property taxes have been paid or are to be paid in a manner not
36 requiring the withholding of registration or the transfer of
37 registration.

38 (3) Any conditional tax clearance certificate issued shall indicate
39 that the county tax collector finds that a tax liability exists, the
40 amount due, and the final date that amount may be paid before a

1 further tax liability is incurred. The certificate shall be in any form
2 that the Controller may prescribe, and shall be executed, issued,
3 and accepted for clearance of registration or permit issuance on
4 the conditions which the Controller may prescribe.

5 (b) Within five working days of receipt of the written demand
6 for a conditional tax clearance certificate or tax clearance
7 certificate, the county tax collector shall forward the conditional
8 tax clearance certificate or tax clearance certificate, showing no
9 tax liability exists, to the requesting escrow officer. In the event
10 the final due date of the tax clearance certificate or conditional tax
11 clearance certificate expires within 30 days of the date of its
12 issuance, an additional conditional tax clearance certificate or tax
13 clearance certificate shall be completed, which has a final due date
14 of at least 30 days beyond the date of issuance. The tax collector
15 shall not charge a fee for the issuance of a certificate unless a
16 previously issued tax clearance certificate or conditional tax
17 clearance certificate expires prior to the date upon which title
18 transfers. The fee for the issuance of a subsequent certificate with
19 respect to that manufactured home shall be an amount equal to the
20 actual costs of preparing and processing that certificate.

21 (c) If the tax collector fails to comply with the demand within
22 30 days from the date the demand is mailed, the escrow officer
23 may close the escrow in accordance with the provisions of
24 subdivision (m) of Section 18035 of the Health and Safety Code.

25 (d) Notwithstanding any provisions of law requiring the tax
26 collector to issue a tax clearance certificate or conditional tax
27 clearance certificate within a specified period of time, when an
28 escrow information demand is made pursuant to Section 18035 of
29 the Health and Safety Code for a manufactured home that has not
30 been enrolled in the county, the tax collector shall be afforded the
31 number of working days necessary for the assessor to determine
32 the value of the manufactured home and for the auditor to extend
33 tax liability.

34 (e) The issuance, alteration, forgery, or use of any tax clearance
35 certificate or conditional certificate in a manner contrary to the
36 requirements of the Controller constitutes a misdemeanor.

37 (f) (1) Prior to January 1, 2019, a person with a conditional
38 transfer of title as described in subparagraph (A) of paragraph (4)
39 of subdivision (d) of Section 18116.1 of the Health ~~&~~ and Safety
40 Code may apply to the tax collector to issue either a tax liability

1 or tax clearance certificate. The county tax collector shall issue a
2 tax liability certificate if the person pays the taxes reasonably owed
3 from the date of sale as shown on the conditional transfer of title,
4 without penalties or interest, and not to exceed the amounts
5 attributable one year prior to January 1, 2016.

6 (2) Upon issuance of a tax clearance or liability certificate, the
7 applicant shall be listed as the owner of record for all local property
8 tax purposes and the home shall not be subject to lien or seizure
9 based on any taxes, penalties, or interest as noted on the certificate
10 issued pursuant to paragraph (1). The tax collector shall notify the
11 assessor and other county agencies of the change.

12 (3) This subdivision does not relieve any owner other than the
13 applicant from tax liability, including penalties and interest, arising
14 from nonpayment prior to the date of sale, or prohibit a county tax
15 collector from collecting delinquent taxes, penalties, or interest
16 due prior to the date of sale, from any owner other than the
17 applicant.

18 SEC. 6. The Legislature finds and declares that the abatement
19 of taxes, penalties, and interest incurred prior to the date of sale
20 of a mobilehome or manufactured home to an applicant, as
21 described in this act, serves a public purpose and does not constitute
22 a gift of public funds within the meaning of Section 6 of Article
23 XVI of the California Constitution.

24 SEC. 7. If the Commission on State Mandates determines that
25 this act contains costs mandated by the state, reimbursement to
26 local agencies and school districts for those costs shall be made
27 pursuant to Part 7 (commencing with Section 17500) of Division
28 4 of Title 2 of the Government Code.

29 SEC. 8. Notwithstanding Section 2229 of the Revenue and
30 Taxation Code, no appropriation is made by this act and the state
31 shall not reimburse any local agency for any property tax revenues
32 lost by it pursuant to this act.